

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION

AT RICHMOND, APRIL 1, 2022

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PETITION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2021-00281

For approval of a rate adjustment clause,  
designated Rider RGGI, under  
§ 56-585.1 A 5 e of the Code of Virginia

ORDER GRANTING MOTION

On December 6, 2021, Virginia Electric and Power Company ("Dominion" or "Company") filed with the State Corporation Commission ("Commission") an annual update of the Company's rate adjustment clause, Rider RGGI ("Petition"), pursuant to § 56-585.1 A 5 e of the Code of Virginia. Through its Petition, Dominion seeks to recover projected and actual costs related to the purchase of allowances through the Regional Greenhouse Gas Initiative ("RGGI") market-based trading program for carbon dioxide emissions.<sup>1</sup>

On January 10, 2022, the Company filed a Motion to Withdraw Application ("Motion"), in which the Company requested to withdraw its Petition, without prejudice. The Company's Motion explains that on August 4, 2021, in Case No. PUR-2020-00169, the Commission approved a rate adjustment clause, designated Rider RGGI, for Dominion to recover costs associated with the Company's purchase of RGGI allowances.<sup>2</sup> Further, the Motion states that on January 1, 2022, the Company implemented its initial Rider RGGI, which increased the

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<sup>1</sup> Petition at 1.

<sup>2</sup> *Petition of Virginia Electric and Power Company For approval of a rate adjustment clause, designated Rider RGGI, under § 56-585.1 A 5 of the Code of Virginia*, Case No. PUR-2020-00169, Order Approving Rate Adjustment Clause (Aug. 4, 2021).

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monthly bill of a residential customer using 1,000 kilowatt-hours per month by approximately \$2.39.

In support of its Motion, the Company states that the December 8, 2021 announcement by then-Governor-elect Glenn Youngkin that he intended to withdraw Virginia from RGGI created uncertainty around the timeline for Virginia's participation in RGGI, as well as the compliance requirements and associated costs for the September 1, 2022 through August 31, 2023 rate year.<sup>3</sup> The Company states that it "intends to file a new update application to recover its actual and projected RGGI compliance costs informed by these developments at the appropriate time."<sup>4</sup> The Company also states that it will continue to meet its RGGI compliance obligations until any withdrawal is effective.<sup>5</sup>

On January 28, 2022, the Office of the Attorney General, Division of Consumer Counsel ("Consumer Counsel") filed a response to the Motion ("Response"). Consumer Counsel stated that it did not oppose the Company's request to withdraw its Petition, but stated that "[f]or customers to truly benefit from the voluntary motion to withdraw, Consumer Counsel urges the Company to confirm, and the Commission to order, that customers will not be asked to bear the burden of any additional carrying costs in a future true-up to Rider RGGI as a result of the Company's withdrawal of the [P]etition."<sup>6</sup>

On February 11, 2022, the Company filed a letter reply ("Reply") to Consumer Counsel's Response. The Company states, "To the extent that the Company incurs incremental financing

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<sup>3</sup> Motion at 2.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.* at 3.

<sup>6</sup> Consumer Counsel Response at 2-3.

costs due to the voluntary withdrawal of the Update Application, the Company would agree to waive recovery of such costs from customers in a future true-up of Rider RGGI."<sup>7</sup>

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that Dominion's Motion should be granted, as set forth below.

Accordingly, IT IS ORDERED THAT:

(1) This matter is docketed and assigned Case No. PUR-2021-00281.

(2) Dominion's Motion to Withdraw Application is granted without prejudice as set forth herein.

(3) On or about July 1, 2022, the Company shall file a status update on Rider RGGI, including the following: the then current under-/over-recovery position; the projected under-/over-recovery position as of December 31, 2022 and October 31, 2023; and shall include any motion to continue the currently-approved Rider RGGI subject to further review and true-up in the update proceeding ordered below.

(4) To the extent that the Company incurs incremental financing costs due to the voluntary withdrawal of the Petition, the Company shall waive recovery of such costs from customers in future true-ups of Rider RGGI.

(5) On or before January 1, 2023, Dominion shall file with the Commission an update to Rider RGGI in accordance with the Commission's Order Approving Rate Adjustment Clause in Case No. PUR-2020-00169 and § 56-585.1 A 5 e of the Code of Virginia.

(6) This matter is continued.

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<sup>7</sup> Company Reply at 2.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List in this matter. The Service List is available from the Clerk of the Commission.